

EXECUTIVE CHAMBERS

HONOLULU

July 13, 2004

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3020

Honorable Members
Twenty-Second Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 3020, entitled "A Bill for an Act Relating to Education."

Senate Bill No. 3020 appropriates \$175,000 in general funds in fiscal year 2004-2005 for the conversion of one ten-month counselor position to a twelve-month term at Kapolei Elementary School, and for the conversion of eight ten-month teachers at Kapolei Middle School to year-round status.

The funds are unnecessary because:

1. Under the lump-sum budgeting approach, the Department of Education has the required flexibility to allocate its positions and funds to address enrollment fluctuations (increases and decreases) at various schools. With an annual general fund budget of over \$1.5 billion in fiscal year 2004-2005, the Department of Education can reallocate its resources from those schools with dwindling enrollment to address the needs of higher enrollment schools. It is also important to note that the Department of Education is currently authorized over 11,200 teaching (bargaining unit 5) positions, although only about 8,720 in fiscal year 2004-2005 are designated for classrooms. The other 2,480 teachers are designated for state and district offices and categorical and other programs. The department can reassign position counts and funds to Kapolei Elementary and Middle Schools within its existing resources.

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2. Between fiscal year 2000-2001 and fiscal year 2002-2003, the Legislature authorized 35.5 additional counselor positions, increasing the number of counselors by 6.2 percent (from 576 to 611.5 positions), while student enrollment decreased 0.6 percent (from 180,563 to 179,448). The additional positions were authorized to address the department's request that the counselors' work exceeded national norms. In addition, with 18,881.60 authorized general fund positions and more than a \$1.2 billion (all means of financing) salary base, the department has the flexibility to reallocate payroll savings from vacant positions to address an additional two-month payroll extension.

3. The Department of Education lapsed \$19.9 million in unspent funds in the prior fiscal year. Historically, annual lapse rates have averaged \$25 million, thus the Department has monies it fails to spend each year which can be used for schools converting from 10-month to 12-month schedules.

The Department of Education should fund the additional payroll requirements within its existing budget, rather than place an additional financial burden on Hawaii's taxpayers.

For the foregoing reasons, I am returning Senate Bill No. 3020 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii